

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement for date of service 04/12/01?
b. The request was received on 03/26/02.

II. EXHIBITS

1. Requestor, Exhibit 1:
 - a. Initial TWCC 60 and Letter Requesting Dispute Resolution
 1. UB-92s
 2. EOBs
 3. Fax confirmation of delivery to carrier
 - b. Subsequent Submission of Information
 1. Medical Records
 2. Position statement
 3. EOBs from other carriers
 - c. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Per Rule 133.307 (g) (3), the Division forwarded a copy of the requestor's 14 day response to the insurance carrier on 06/26/02. The carrier signed for the response on 06/28/02. The response from the insurance carrier was received in the Division on 07/12/02. Based on 133.307 (i) the insurance carrier's response is timely.
3. Notice of Medical Dispute Resolution is contained in Exhibit 3.

III. PARTIES' POSITIONS

1. Requestor: Letter
"Payment amounts not covered by an established fee guideline are subject to the criteria identified in section 413.011(b) of the Texas Labor Code: ... This is not a Cost Based Model of reimbursement: ... The Fact that other carriers pay the amount billed by the Requestor does provide evidence of fair and reasonable: ... Acute Care Inpatient Hospital Fee Guidelines are inapplicable: ... The Consistency with which a payment formula is applied is no proof that it is air [sic] and reasonable. ... Any Methodology that uses The HCFA Ambulatory surgery Center 1994 Medicare Rate Survey, and/or the HCFA Medicare Program: Update of Ambulatory Surgical Center Payment Rates Effective for Services on or After October 1, 1997 is invalid."
2. Respondent:
"Regardless of the Carrier's methodology, the burden remains on the Provider to show that the amount requested is fair and reasonable. Neither the TWCC-60 nor the Requestor's Additional Information meets this burden.... The Requestor has done nothing

more than submit a laundry list of charges, without one shred of justification for the prices contained therein.”

IV. FINDINGS

1. Based on Commission Rule 133.307 (d)(1&2), the only date of service (DOS) eligible for review is 04/12/01.
2. The provider, an ambulatory surgery center, billed a total of \$19,270.00.
3. The carrier reimbursed \$2,236.00 for the DOS in dispute based on the Requestor’s table. The EOBs submitted with this packet indicate the carrier denied the reimbursement as, “Reimbursement is per Corvel’s fair and reasonable outpatient hospital bill policy, and M-No MAR, reduced to fair and reasonable.”
4. The amount in dispute is \$17,034.00.

V. RATIONALE

The medical documentation indicates the services were performed at an ambulatory surgery center. Commission Rule 134.401 (a)(4) states ASCs, “shall be reimbursed at a fair and reasonable rate...”

Section 413.011 (b) of the Texas Labor Code states, “Guidelines for medical services must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fees charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual’s behalf. The Commission shall consider the increased security of payment afforded by this subtitle in establishing the fee guidelines.”

The provider has submitted EOBs from other carriers as examples of “fair and reasonable” reimbursement for same or similar services. These EOBs were paid at varying percentages of the billed amount. Regardless of the carrier’s methodology, response, or lack thereof, the burden is on the provider to show that the amount of reimbursement requested is fair and reasonable. The willingness of some carriers to provide reimbursement at or near the billed amount does not necessarily document that the billed amount is fair and reasonable and does not show how effective medical cost control is achieved, a criteria identified in Sec. 413.011 (d) of the Texas Labor Code. Therefore, based on the evidence available for review, the Requestor has not established entitlement to additional reimbursement.

The above Findings and Decision are hereby issued this 12th day of August 2002.

Carolyn Ollar, RN, BA
Medical Dispute Resolution Officer
Medical Review Division

This document is signed under the authority delegated to me by Richard Reynolds, Executive Director, pursuant to the Texas Workers’ Compensation Act, Texas Labor Code Sections 402.041 - 402.042 and re-delegated by Virginia May, Deputy Executive Director.